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Message Text

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ACTION EB-08

INFO OCT-01 CIAE-00 COME-00 DODE-00 NSAE-00 ICA-11
TRSE-00 EA-10 DOE-15 ISO-00 SOE-02 AID-05 /052 W
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R 030805Z APR 78
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 6723

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EXCON

E.O. 11652: NA
TAGS: ESTC, JA
SUBJECT: PRE-LICENSING EXTRANCHECK - OEA/CD SURVEY CASE 3-198 (BTR NO. A302621)

REF: STATE 076579

1. MR. YOSHIDA, ELECTRONIC EQUIPMENT DEPT OF TOKYO ELECTRON LABORATORIES INC. (TEL), MEIHO BLDG., NO. 1-21, NISHI SHINJUKU, SHINJUKU-KU, TOKYO, JAPAN, STATED IN REPLY TO OUR INQUIRY THAT: (A) TEL PLACED ORDER WITH VARIAN EXTRION DIVISION, GLOUCESTER, MASS, IN LATE FEBRUARY FOR ONE MODEL 200-1000 ION IMPLANTER AND ONE END STATION; (B) TEL'S ORDER FOR ION IMPLANTER WAS MADE ON A SPECULATIVE BASIS WITH TOKYO SANYO ELECTRIC CO., LTD., A SEMICONDUCTOR MAKER LOCATED AT NO. 180, SAKATA, OHIZUMI-MACHI, OHRA-GUN, GUMMA PREF., JAPAN, AND A PROSPECTIVE END USER AND END STATION UNDER A CONFIRMED PURCHASE ORDER PLACED WITH TEL BY THE SECOND RESEARCH DEPT OF COMPUTER DEVELOPMENT LABORATORIES LTD. (CDL) (SEE PARA 5 BELOW), C/O MUSASHI PLANT OF HITACHI LTD., NO. 1450, JOSUIHON-CHO, KODAIRA CITY, TOKYO, JAPAN, AS END USER. (C) HOWEVER, TEL SENT AN ORDER CANCELLATION NOTICE FOR THE ION IMPLANTER TO
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VARIAN BY AIRMAIL ON MARCH 24, AS TOKYO SANYO ELECTRIC DECIDED NOT TO PURCHASE THE IMPLANTER.

2. MR. ARAI, SEMICONDUCTOR DEPT OF TOKYO SANYO ELECTRIC CO., TOLD EMBASSY THAT HIS DEPT ONCE ASKED TEL TO QUOTE PRICES FOR A VARIAN-MADE ION IMPLANTER, BUT NEVER PLACED A FORMAL ORDER WITH TEL. HE SPECULATED THAT TEL MUST

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HAVE SENT AN ORDER TO VARIAN IN EXPECTATION OF A PURCHASE, BUT CANCELLED IT SINCE NO FURTHER APPROACHES WERE MADE TO TEL.

3. IN REGARDS TO THE END STATION, MR. OHNISHI, ASSISTANT DIRECTOR OF CDL'S SECOND RESEARCH DEPT CONFIRMED THE ABOVE PURCHASE SCHEDULE AND STATED THAT THE SUBJECT END STATION WILL BE INSTALLED IN HIS RESEARCH DEPT TO REPLACE AN EXISTING END STATION INCORPORATED INTO A VARIAN-MADE MODEL 200-1000 ION IMPLANTER PURCHASED BY HIS DEPT IN 1976 FOR SEMICONDUCTOR R&D PURPOSES. HIS DEPT DECIDED TO PURCHASE A NEW END STATION IN ORDER TO MAKE POSSIBLE ION IMPLANT-ATIONS IN WAFERS WITH A DIAMETER OF FOUR INCHES, PRESENT EQUIPMENT BEING LIMITED TO THREE INCHES. THE EXISTING END STATION WILL BE DISMEMBERED WHEN REPLACED AND BE BOUGHT BACK BY TEL AS SPARE PARTS FOR ION IMPLANTERS ALREADY IMPORTED OR SCHEDULED TO BE IMPORTED FOR OTHER CUSTOMERS. THE SECOND RESEARCH DEPT OF CDL HAS NO INTENTION TO RESELL OR RE-EXPORT THE NEW END STATION TO ANY THIRD PARTY IN THE FUTURE. RESALE OF SUBJECT END STATION WOULD BE IMPOSSIBLE BECAUSE THIS PURCHASE IS PARTLY FINANCED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI) AS DESCRIBED IN PARA 5.

4. IN REGARD TO VARIAN'S APPLICATION FOR EMERGENCY E/L ISSUANCE, MR. OHNISHI OF CDL STATED THAT HIS DEPT HAD LIMITED OFFICIAL USE

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CONVEYED TO VARIAN, VIA TEL, ITS DESIRE TO OBTAIN A NEW END STATION FOR FOUR-INCH DIAMETER WAFERS UNDER ITS BUDGET FOR JFY 1977 ENDING MARCH 31, 1978. HOWEVER, CDL HAD TO INSTRUCT TEL TO DELIVER THE END STATION IN APRIL BECAUSE VARIAN'S NOTICE THAT THE NEW END STATION WAS AVAILABLE ARRIVED AFTER CDL'S JFY 1977 BUDGET HAD BEEN EXPENDED AND HIS DEPT HAD TO MAKE PURCHASE UNDER ITS JFY 1978 BUDGET. HE SAID THAT THERE IS NO REASON FOR HIS DEPT TO STICK TO THE MARCH 31 DELIVERY DATE. MR. YOSHIDA OF TEL ALSO STATED THAT HIS FIRM DID NOT KNOW THAT VARIAN WAS APPLYING FOR EMERGENCY CLEARANCE FOR THE ULTIMATE CONSIGNEE TO RECEIVE SUBJECT EQUIPMENT BY MARCH 31. TEL SENT I/C TO VARIAN ON MARCH 15, ABOUT TWO WEEKS AFTER TEL'S ORIGINAL ORDER, BUT THIS WAS BECAUSE TEL FEELS THERE IS SUFFICIENT TIME FOR HIS FIRM TO RECEIVE THE END STATION FROM VARIAN BY AIR AND DELIVER IT TO CDL BY THE END OF APRIL, AS CONTRACT-ED. VARIAN'S APPLICATION FOR EMERGENCY CLEARANCE BY MARCH 31 WAS APPARENTLY BASED ON AN ATTEMPT TO MAKE SHIPMENT WITHIN JFY 1977.

5. EMBASSY FINDINGS: CDL WAS ESTABLISHED IN DECEMBER 1975 AS A JOINT SEMICONDUCTOR R&D INSTITUTE FOR THE THREE

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LEADING MANUFACTURERS OF COMPUTERS IN JAPAN; I.E. HITACHI LTD., FUJITSU LTD., AND MITSUBISHI ELECTRIC CORPORATION. CDL'S CAPITAL OF 300 MILLION YEN IS EQUALLY SHARED BY THE THREE MANUFACTURERS. CDL'S PURCHASES OF VARIOUS R&D EQUIPMENT, INCLUDING END STATION, ARE PARTLY FINANCED WITH SUBSIDY FROM MITI UNDER GOJ'S DOMESTIC COMPUTER INDUSTRY PROMOTION POLICY. CDL IS HEADQUARTERED AT 22ND MORI BLDG., NO. 3-20, TORANOMON 4-CHOME, MINATO-KU, TOKYO, JAPAN. CDL, WITH A TOTAL OF 300 EMPLOYEES, HAS ITS RESEARCH HEADQUARTERS AND SECOND RESEARCH DEPT AT THE MUSASHI PLANT OF

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INFO OCT-01 EA-10 ISO-00 DODE-00 NSAE-00 ICA-11
TRSE-00 SOE-02 DOE-15 CIAE-00 COME-00 AID-05 /052 W
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EXCON

HITACHI LTD. (SEE PARA 1-(B) FOR ADDRESS); THE FIRST RESEARCH DEPT AT THE KAWASAKI PLANT OF FUJITSU LETD., NO. 1015, KAMIODANAKA, NAKAHARA-KU, KAWASAKI CITY, KANAGAWA PREF., JAPAN; AND A THIRD RESEARCH DEPT AT THE KITAITAMI PLANT OF MITSUBISHI ELECTRIC CORP., NO. 1, ZUIHARA 4-CHOME, ITAMI CITY, HYOGO PREF., JAPAN. EMBASSY WTDR'S ON ABOVE THREE LARGE COMPUTER MAKERS JOINTLY CONTROLLING CDL ARE: TOKYO 19916 (12/29/77) FOR HITACHI LTD.; TOKYO 14987 (9/28/77) FOR FUJITSU LTD.; AND TOKYO 0283 (1/9/78) FOR MITSUBISHI ELECTRIC CORP.

6. TEL, THE IMPORTER OF THE SUBJECT END STATION, WAS ESTABLISHED IN NOVEMBER 1963 AS AN IMPORTER AND DISTRIBUTOR OF SEMICONDUCTOR MACHINES, COMPUTER PERIPHERAL EQUIPMENT, MEASURING INSTRUMENTS, ETC.; AND AN EXPORTER OF CAR RADIOS AND STEREOS. LOCAL BANK SOURCES REPORT THEIR TRANSACTIONS WITH TEL HAVE ALWAYS BEEN SATISFACTORY. SEE TOKYO 13035 (8/26/77) FOR EMBASSY WTDR ON TEL, CONTENTS OF WHICH REMAIN UNCHANGED TO DATE EXCEPT THAT THE FIRM'S PAID-IN

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CAPITAL HAS INCREASED TO 549 MILLION YEN AND NUMBER OF EMPLOYEES TO 380 BECAUSE OF THE ABSORPTION OF ITS SUBSIDIARY, PANETRON INC., ON DECEMBER 31, L977. MR. YOSHIDA OF TEL ALSO REPORTED THAT IMPORT AGENT RIGHTS FOR
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VARIAN'S EQUIPMENT WERE TRANSFERRED FROM MARUBENI CORP. TO TEL IN NOVEMBER 1977 AND THAT TEL WILL ACT AS AN EXCLUSIVE AGENT IN JAPAN FOR PRODUCTS OF VARIAN'S INDUSTRIAL EQUIP-MENT GROUP, INCLUDING ION IMPLANTERS, END STATIONS, AND VACUUM EQUIPMENT, ON OR AFTER OCTOBER 1, 1978.

7. CONCLUSION: (A) IN VIEW OF STATEMENTS BY TEL IN PARA 1-(C) AND BY TOKYO SANYO ELECTRIC IN PARA 2, EMBASSY FEELS THAT VARIAN'S E/L APPLICATION FOR ONE MODEL 200-1000 ION IMPLANTER SHOULD BE REFUSED. AOLSO GIVEN STATEMENTS MADE BY TEL AND CDL IN PARA 4, VARIAN'S APPLICATION FOR EMERGENCY CLEARANCE BY MARCH 31 APPEARS GROUNDLESS. BASED ON CDL'S STATEMENT IN PARA 3 AND EMBASSY FINDINGS ON THIS END USER IN PARA 5, EMBASSY RECOMMENDS E/L FOR DELIVERY OF END STATION TO CDL AT PROPER TIME. MANSFIELD

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